

4 November 1959

MEMORANDUM FOR THE RECORD

SUBJECT: Resume of OCB Luncheon Meeting, 4 November 1959

PRESENT: Mr. Allen, Mr. Dulles, Mr. Gray, Mr. Irwin, Mr. Merchant, Mr. Saccio, Mr. Scribner, Mr. Smith

✓ 1. Overseas Personnel

The Executive Officer raised the question of the scheduled discussion on overseas personnel which has been on and off the agenda for a number of weeks. He emphasized that this item had been canceled again this week, at the request of the State Department, but that it seemed that next week the Board should give some attention to it.

In answer to Mr. Dulles' question, Mr. Smith said that it appeared to him there were three main topics to which the Board might address itself:

a. The status of the individual agencies' reports on their own overseas personnel, which were presented to the Board at its meeting of 30 September 1959. He emphasized that these reports were prepared unilaterally by each affected agency, that they were not coordinated with any other agency and that they represented a state-ment of the status quo.

b. What the OCB can do to meet the problem raised by the apparent uneasiness by some of the members about these agency reports. Perhaps it will be feasible for the Board to suggest a project which could deal with this aspect of the situation.

c. The extent to which the Board can or should go beyond the reports submitted by individual agencies. In this connection, it was pointed out that in the opinion of at least some of the members the essence of the problem is not so much the actual numbers of individuals abroad (with which the reports generally concern themselves) but rather the effective carrying out of the President's desires as to behavior, etc., regardless of numbers.

In the course of the ensuing discussion, Mr. Smith also pointed out that the Bureau of the Budget is currently holding hearings on the subject of overseas personnel and related situations, and Mr. Scribner commented that if the Board is to take any action it should do so promptly since the BOB might have a major role to play.

2. Khrushchev Speech to Supreme Soviet

A general discussion then took place of the recent Khrushchev speech to the Supreme Soviet, in the course of which Mr. Dulles indicated that he planned to cover this subject at tomorrow's briefing of the NSC. The Board appeared to be in agreement that the speech seemed in general to be a good one from the point of view of U.S. interests, except for the somewhat belligerent reference to the Taiwan situation. A question was raised as to whether enough contingency planning is going on for that part of the world, as contrasted to that being conducted in connection with Berlin, for example. A question was also raised as to whether existing intelligence estimates covering the Taiwan area are still valid.

Mr. Dulles pointed out that an interesting part of the Khrushchev presentation was the analogy that he drew between the situation obtaining today and that in 1918, with particular reference to Trotsky's opposition to Lenin's decision to make peace with Germany "to insure for the young Soviet state the possibility of peaceful construction of socialism." The DCI commented that this almost certainly was aimed at the Chinese Communist leaders.

3. Relaxation of World Tensions

The next subject was the problem of assuring that all responsible elements of the Government are fully informed on the policy lines

which have developed since, and as a result of, the Camp David talks. Mr. Merchant verified the fact that the confidential State Department circular on this subject does in fact represent the views of the President vis-a-vis the "great thaw," and he agreed with other members of the Board that this paper might well be downgraded to an Official Use Only classification and given wider circulation throughout the Government.

It was also noted that Secretary Herter proposed to raise the subject at the Friday Cabinet meeting.

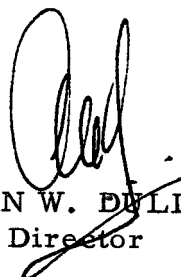
4. DCI's Testimony Before Congress

Mr. Dulles then spoke of the testimony on the Soviet economic system which he is scheduled to give to the Congressional Subcommittee on Economic Statistics, of the Joint Economic Committee, on 13 November. He said that he would cover much of the basic ground that was contained in his New Orleans speech, stressing where the Soviets stand as compared with our own economy. He said that the New Orleans data would of course be updated as appropriate.

It was also noted that Mr. Meyer Kestnbaum had talked to the White House staff along somewhat similar lines.

5. New York Times Article on Laos

There was brief mention of the article in the New York Times of 4 November, citing alleged complaints by French military authorities in Laos that American instructors have been "overstepping their duties in training Laotian soldiers."


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ALLEN W. DULLES
Director

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Mr. Dulles:

The attached Times clipping is the one referred to in paragraph 5.

Re the question on intelligence estimates, paragraph 2: I have discussed this with Abbott Smith and will tell you about it when I brief you before the OCB luncheon of the 12th. In brief, the estimates are believed to be still valid.

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EDNESDAY, NOVEMBER 4, 1959.

U. S. GROUP IN LAOS STIRS FRENCH IRE

**Military Training Team Said
to Exceed Its Duties With
Instruction in Tactics**

LUANG PRABANG, Laos, Nov. 3 (AP)—French military authorities here have complained officially that United States instructors have been overstepping their duties in training Laotian soldiers, an authoritative military source reports.

The latest of at least three complaints written by a French general contended that the team of twenty-four American military instructors taught Laotian troops more than the soldiers were supposed to learn, the source said.

The complaint arose when a French general inspecting Laotian recruits was angered because the troops saluted him in the American way instead of the French style.

Close-order drill also fol-

lowed the United States order instead of the Gallic pattern, the general protested.

Under an agreement signed in July by France, the United States and Laos, both United States and French instructors were to train Laos' army. The Americans were to give instruction in use and maintenance of material and the French were to handle tactical lessons.

But Americans in Luang Prabang under William F. Nealson of Florida have trained about 600 Laotian soldiers not only in use of equipment but also in tactics right up to platoon strength, according to the military informant, who declined to be identified.

The Americans here are temporarily removed from Army special services rolls and are in Laos as civilians. Each group of eight is reputed to be capable of fully training a battalion.

"The Americans trained a group of non-commissioned officers as they were supposed to do," the informant said. "Then they had nothing to do, so they started training recruits."

"They put them through obstacle courses and taught them how to handle their weapons and the French were furious because they had intruded on French territory," he added.